

1 **BEFORE THE ARIZONA STATE BOARD OF APPRAISAL**

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ARIZONA BOARD OF APPRAISAL

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3 In the Matter of :

Case No. 2379

4 **MICHAEL S. MASON**
5 Certified Residential Appraiser
6 Certificate No. 21238

**CONSENT AGREEMENT AND ORDER
OF DISCIPLINE**

7 On December 13, 2007, the Arizona Board of Appraisal ("Board") discussed Case
8 No. 2379 regarding Michael S. Mason ("Respondent"). After reviewing the information
9 presented, the Board voted to offer Respondent the opportunity to enter into this Consent
10 Agreement and Order of Discipline ("Consent Agreement").

11 **JURISDICTION**

12 1. The Arizona State Board of Appraisal ("Board") is the state agency
13 authorized pursuant to A.R.S. § 32-3601 *et seq.*, and the rules promulgated thereunder,
14 found in the Arizona Administrative Code ("A.A.C." or "rules") at R4-46-101 *et seq.*, to
15 regulate and control the licensing and certification of real property appraisers in the State
16 of Arizona.

17 2. Respondent is a Certified Residential Appraiser in the State of Arizona,
18 holder of Certificate No. 21238, issued on June 9, 2005, pursuant to A.R.S. § 32-3612.

19 **FINDINGS OF FACT**

20 1. This case involves the appraisal of property located at 43888 W.
21 McClelland Drive, Maricopa, Arizona, with a date of value of February 13, 2007.

22 2. The Board received a complaint on or about April 23, 2007. The complaint
23 alleged that Respondent over-inflated the value of the property by using comparable sales
24 which were a conflict of interest, as the subject and the two comparables were sold by the
25 same entity. The complainant also alleges that recent sales were ignored.
26

1 3. The Board's investigation revealed the following deficiencies with the
2 report prepared by Respondent:

3 a. The appraisal report states of the subject neighborhood, as of
4 February 2007, that "Property values increasing," "Demand/supply in balance,"
5 "Growth rapid," and Marketing time 3 to 6 months." These statements are not
6 supported by "See Attached Addendum," the work file, or well-publicized
7 incentives, concessions, and general market downturn in the town of Maricopa,
8 Arizona, in 2006 and into 2007;

9
10 b. The subject's prior sale February 2, 2007, at \$300,000 was not a
11 below market transaction. The report states in the summary that the subject was
12 sold below market as it was the contract price of the home before the home was
13 built. This is misleading;

14
15 c. There were substantial errors of omission in the discussion of Sale
16 No. 1 in that the reporting of the upgrades and in the statements in the report that
17 the property "Did not transfer in the past three years," contrary to the MLS. Sale
18 No. 2 was also reported as "Did not transfer in the past three years," contrary to
19 the MLS;

20
21 d. There was no work file data in support of Cost Approach statements
22 from Marshall and Swift and local builders, and depreciation method utilized is
23 age/life. Also depreciation was concluded at \$3.368 (1 percent), and is not
24 credible.
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1 **CONCLUSIONS OF LAW**

2 1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State
3 of Arizona must comply with the standards of practice adopted by the Arizona State
4 Board of Appraisal. The Standards of Practice adopted by the Board are codified in the
5 USPAP edition applicable at the time of the appraisal.

6 2. The conduct described above constitutes violations of the following
7 provisions of the USPAP, 2006 edition: Standards Rule 1-1(b); Standards Rule 1-1(c);
8 Standards Rule 1-2(e)(iv); Standards Rule 1-4(c); Standards Rule 1-5(a); Standards Rule
9 1-6; Standards Rule 2-2(b)(iii); Standards Rule 2-2(b)(viii), and the Ethics Rule –
10 Conduct and Recordkeeping.

11 **ORDER**

12
13 Based upon the foregoing Findings of Fact and Conclusions of Law, the parties
14 agree to the following:

15 1. Beginning on the effective date of this Consent Agreement, Respondent's
16 Certificate No. 21238 shall be placed on probation for a minimum of six (6) months.
17 During the term of probation, Respondent shall: (a) demonstrate resolution of the
18 problems that resulted in this disciplinary action; and (b) otherwise comply with the
19 terms of this Consent Agreement.

20 2. Respondent shall successfully complete the following education within 6
21 months of the effective date of this Consent Agreement: (a). A minimum of six (6)
22 hours in Mortgage Fraud; (b). A seven (7) hour USPAP update course, and (c). A
23 minimum of fourteen (14) hours in Sales Comparison Approach and/or Market
24 Analysis/Trends coursework.

25 3. The mortgage fraud and USPAP update courses discussed under paragraph
26 2 may be counted toward the continuing education requirements for the renewal of

Respondent's certificate. The same classes may not be repeated to fulfill the education requirements in paragraph 2.

4. The Board reserves the right to audit any of Respondent's reports and conduct peer review, as deemed necessary, during the probationary period. The Board may, in its discretion, seek separate disciplinary action against the Respondent for any violation of the applicable statutes and rules discovered in an audit of the Respondent's appraisal reports provided to the Board under the terms of this Consent Agreement.

5. Respondent's probation shall continue until: (a) Respondent petitions the Board for termination as provided in paragraph 7, and (b) the Board terminates the probation.

6. At the end of six (6) months from the effective date of this Consent Agreement, the Respondent must petition the Board for termination of his probation, and the Respondent shall submit **two** appraisals to the Board for auditing purposes. If the Board determines that Respondent has not complied with all the requirements of this Consent Agreement, the Board, at its sole discretion, may either: (a) continue the probation, including mentorship; or (b) institute proceedings for noncompliance with this Consent Agreement, which may result in suspension, revocation, or other disciplinary and/or remedial action.

7. Respondent shall not act as a supervising appraiser for other appraisers or trainees, nor shall he act as a mentor, during the term of the probation. Respondent shall also not teach any course related to real estate appraisals during the term of the probation.

8. Respondent shall comply with the Uniform Standards of Professional Appraisal Practice in performing all appraisals.

9. If, between the effective date of this Consent Agreement and the termination of Respondent's probation by the Board, Respondent fails to renew his license while under this Consent Agreement and subsequently applies for a license or

1 certificate, the remaining terms of this Consent Agreement, including probation, shall be
2 imposed if the application for license or certificate is granted.

3 10. Respondent has read and understands this Consent Agreement as set forth
4 herein, and has had the opportunity to discuss this Consent Agreement with an attorney
5 or has waived the opportunity to discuss this Consent Agreement with an attorney.
6 Respondent voluntarily enters into this Consent Agreement for the purpose of avoiding
7 the expense and uncertainty of an administrative hearing.

8 11. Respondent understands that he has a right to a public administrative
9 hearing concerning each and every allegation set forth in the above-captioned matter, at
10 which administrative hearing he could present evidence and cross-examine witnesses. By
11 entering into this Consent Agreement, Respondent freely and voluntarily relinquishes all
12 rights to such an administrative hearing, as well as all rights of rehearing, review,
13 reconsideration, appeal, judicial review or any other administrative and/or judicial action,
14 concerning the matters set forth herein. Respondent affirmatively agrees that this
15 Consent Agreement shall be irrevocable.

16 12. Respondent understands that this Consent Agreement, or any part thereof,
17 may be considered in any future disciplinary action against him.

18 13. The parties agree that this Consent Agreement constitutes final resolution
19 of this disciplinary matter.

20 14. Time is of the essence with regard to this agreement.

21 15. If Respondent fails to comply with the terms of this Consent Agreement,
22 the Board shall properly institute proceedings for noncompliance with this Consent
23 Agreement, which may result in suspension, revocation, or other disciplinary and/or
24 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
25 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of
26

1 the provisions of the Board's statutes or the rules of the Board for the administration and
2 enforcement of its statutes.

3 16. Respondent understands that this Consent Agreement does not constitute a
4 dismissal or resolution of other matters currently pending before the Board, if any, and
5 does not constitute any waiver, express or implied, of the Board's statutory authority or
6 jurisdiction regard any other pending or future investigation, action or proceeding.


7 Respondent also understands that acceptance of this Consent Agreement does not
8 preclude any other agency, subdivision or officer of this state from instituting other civil
9 or criminal proceedings with respect to the conduct that is the subject of this Consent
10 Agreement.

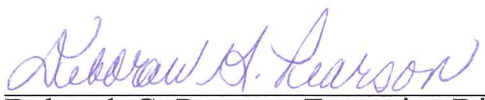
11 17. Respondent understands that the foregoing Consent Agreement shall not
12 become effective unless and until adopted by the Board of Appraisal and executed on
13 behalf of the Board. Any modification to this original document is ineffective and void
14 unless mutually approved by the parties in writing.

15 18. Respondent understands that this Consent Agreement is a public record that
16 may be publicly disseminated as a formal action of the Board.

17 19. Pursuant to the Board's Substantive Policy Statement #1, the Board
18 considers this violation to amount to a Level III Violation.

19 DATED this ^{12th} ~~5~~ day of March, 2008.

20
21 
22 Michael S. Mason, Respondent

21 
22 Deborah G. Pearson, Executive Director
23 Arizona Board of Appraisal

24 **ORIGINAL** of the foregoing filed
25 this ^{12th} day of March, 2008, with:

26 Arizona Board of Appraisal
1400 West Washington Street, Suite 360
Phoenix, Arizona 85007

1 **COPY** of the foregoing mailed regular and U.S.
2 Certified Mail # 7006 0100 0002 8652 3899
3 this 12th day of March, 2008, to:

4 Michael S. Mason
5 2636 N. 63rd Street
6 Mesa, Arizona 85215
7 Respondent

8 **COPY** of the foregoing delivered
9 this 12th day of March, 2008, to:

10 Jeanne M. Galvin
11 Arizona Attorney General's Office
12 1275 W. Washington
13 Phoenix, AZ 85007
14 Attorney for the Board

15 By: Andrew G. Pearson

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